

Minutes

House Select Committee on Methamphetamine Abuse

**Tuesday, October 18, 2011
Room 1425, Legislative Building
1:00 pm**

The House Select Committee on Methamphetamine Abuse met on Tuesday, October 18, 2011 at 1:00 p.m. in Room 1425 of the Legislative Building.

Representative D. Craig Horn, Co-Chair presided.

The following members were present:

Representative John Faircloth, Co-Chair	Representative Annie Mobley
Representative David Guice	Representative Marian McLawhorn
Representative Sarah Stevens	Representative Joe Tolson
Representative Mark Hollo	

Representative Horn called the meeting to order. He welcomed everyone, and reminded the Representatives to fill out and return reimbursement forms. Representative Horn welcomed and recognized our House Sergeant at Arms, Reggie Sills and Jesse Hayes. Susan Sitze gave an overview of the charge for the committee studying the issues regarding the abuse of methamphetamine. The House Select Committee was created by the Speaker of the House. The Committee is charged with studying:

- (1) The provisions, implementation and effects on the production of methamphetamine of House Bill 12 of the 2011 General Assembly, S.L. 2011-240, including the number of methamphetamine labs that are discovered annually.
- (2) The potential costs of making pseudoephedrine products Schedule III controlled substances.
- (3) Whether more stringent methods for curtailing methamphetamine production should be authorized.
- (4) Any other issues related to the prevention of methamphetamine abuse.

The Committee is authorized to file an interim report on the results of the study, including any proposed legislation on or before May 1, 2012, by filing a copy of the report with the Office of the Speaker of the House of Representatives. The Committee is authorized to file a final report on the results of its study, including any proposed legislation, to the members of the House of Representatives prior to the convening of the 2013 General Assembly by filing the final report with the Office of the Speaker of the House.

Representative Horn asked all committee members, staff, and clerks to introduce themselves.

Representative Horn asked for the 2-year budget to be approved. He anticipates that the committee will meet four times a year which will be a total of eight meetings. The approximate budget is \$28,000.00. Representative Horn asked that the committee be mindful of that. (See attached) Representative Guice asked if there was money set aside for field trips. Representative Horn replied that \$2,000.00 had been set aside for special travel expenses. Representative Guice moved that the budget be approved. Representative McLawhorn seconded. The budget was approved as presented.

Hal Pell explained that as indicated, the charge of the committee relates to the provisions of HB 12 that was passed in the 2011 regular session of the General Assembly. Section 1 of the bill was to continue efforts of 2005 legislation which was the Methamphetamine Lab Prevention Act of 2005 which was to regulate sale of pseudoephedrine products that are used to make methamphetamine. Based upon that intended purpose of this 2011 act, Hal turned it over to Jennifer McGinnis to review the 2005 Act to give the committee background information which lead up to HB 12.

Hal introduced Jennifer McGinnis, staff attorney, who gave an overview of HB 245 which was passed in the 2005 session of the General Assembly.

House Bill 245:

- Single-source and multi-source pseudoephedrine products in the form of tablets for adults or caplets be stored and sold behind the pharmacy counter. Liquids and gel packs were exempted.
- Transaction limits were imposed. 2 packages per day. 6 gram maximum purchase per day, 9 per month.
- Amended in 2006-3.6 grams daily limit.
- Age and id requirements-no purchase for under 18 without a prescription, in addition for all transactions people had to provide photo ID, name, address, and sign an attestation form at time of purchase.
- Retailers required to keep records on file and available for law enforcement within 48 hour periods of transaction. Keep 2 years for availability to law enforcement.
- Signage requirements also implemented for sale of pseudoephedrine products for establishments to inform consumers of the strict limit per purchase.

Hal Pell did a follow up explanation: The N.C. General Assembly in 2011 passed HB 12. Beginning January 1st of 2012 retailers must electronically submit transaction information to the National Precursor Log Exchange abbreviated **NPLEX**, which has a stop sale capability. Sales will be electronically transferred to prevent purchasers from moving from pharmacy A to buy daily limit to pharmacy B later in order to purchase more than their allowed daily limit. The ongoing log exchange will automatically detect if they are purchasing over their daily limit. Provisions are there if the pharmacist is under duress. A sale can still be completed if necessary, but the transaction would be noted.

NPLEX is administered by the National Association of Drug Diversion Investigators. **NADDI** is the acronym for this organization. Info must be forwarded to SBI in “real time” as

well as weekly reporting to the SBI. The **NADDI** information is forwarded in real time to the SBI. Legislation required the SBI to report the number of meth lab findings beginning in calendar year 2011 to the legislative commission on methamphetamine abuse which was established by the 2005 legislation. To date however, no appointments to a legislative commission on meth abuse have been established. It was not deleted during the past session when a lot of other non-active commissions were deleted. In effect, there is no legal basis for appointments to this commission. However, there is nothing to keep this committee from receiving reports from the SBI if the committee asks for them. The same information can be available to this committee. Legislation required the SBI to participate in the High Intensity Drug Trafficking Area program. **HIDTA** is the acronym. We will hear from the state director today. The commission was given the direction to study implementation of provisions of HB 12, the incorporation of **NPLEX** into the state system to monitor pseudoephedrine sales, and the effect on drug labs found in North Carolina and to report back to the General Assembly based on authorization of this committee. Retailers must electronically submit to the **NPLEX** system beginning Jan. 1st if they have internet access, and if they could do so without costs. There was that type of provision obtained. That concluded his summation.

Representative Horn stated that our charge goes beyond other issues of previous methamphetamine abuse not just the provisions of HB 12. We can get into anything dealing with methamphetamine abuse in the state of North Carolina.

Representative McLawhorn asked for a clarification from Hal. Her question: Don't all pharmacists have internet access? Hal answered that he has heard that some pharmacies are registered already to report purchases of controlled substances. Some information from some pharmacies however goes to a central location to report controlled substance purchasing already. It may not necessarily be done at that particular pharmacy but another location that accomplishes that. The question to consider is "does the individual pharmacy have the authorization to do the reporting or do they even have internet access?" The question to be considered: "Is the language in HB 12 sufficient enough?"

Representative McLawhorn followed up with another question: If a pharmacy does not have internet access it would not be reported as "real time", therefore it would not be an accurate report.

Representative Horn asked for Andy Ellen with the North Carolina Retail Merchants Association for clarification. Mr. Ellen introduced himself. He reported that most pharmacies do have internet access that is tied into a router that runs through a real time basis through point of sale system to this data base. National companies are already doing it. Solely North Carolina pharmacies are working diligently to do the same. It does give them internet access but not to Facebook or Google or various search engines. This prevents the chance of a virus download which could shut the whole system down.

Representative Horn asked Representative McLawhorn if this answered her question. She replied that it did.

Representative Horn introduced John Emerson with the High Intensity Drug Trafficking Area Program. (**HIDTA**)

PRESENTATION

High Intensity Drug Trafficking Area Program (HIDTA) John Emerson, State Director

*Summary: Mr. Emerson explained and summarized the **HIDTA** program as well as North Carolina's history of methamphetamine production, and the attempt by the General Assembly to control access to pseudoephedrine. He gave a brief history of his career as a federal agent with the Drug Enforcement Administration (DEA). Mr. Emerson also gave an oral timeline from 1999 to present to demonstrate the changes in methamphetamine production and what steps **HIDTA** has taken to prevent a further increase of meth labs. Mr. Emerson's notes from his presentation follow:*

- **THE HIGH INTENSITY DRUG TRAFFICKING AREA PROGRAM OR HIDTA IS A CONGRESSIONALLY FUNDED GRANT PROGRAM. FUNDING FOR EACH INITIATIVE THROUGHOUT THE COUNTRY IS CONDUCTED THROUGH THE OFFICE OF NATIONAL DRUG CONTROL POLICY-COMMONLY KNOWN AS THE DRUG CZAR'S OFFICE.**
- **NORTH CAROLINA HAS FOUR FUNDED INITIATIVES THAT HAVE BEEN DESIGNATED IN DIFFERENT YEARS BEGINNING IN 2008.**
- **THE FOUR NORTH CAROLINA HIDTA INITIATIVES ARE PART OF THE LARGER ATLANTA HIDTA PROGRAM.**
- **THE ONDCP DESIGNATES AREAS, USUALLY COUNTIES THAT ARE DEEMED TO HAVE A SIGNIFICANT DRUG THREAT AND AUTHORIZES ADDITIONAL FUNDS FOR THOSE AREAS TO SUPPORT MULTI AGENCY CO-LOCATED TASK FORCES MADE UP OF FEDERAL, STATE AND LOCAL OFFICERS.**
- **THE HIDTA INITIATIVES ARE OVERSEEN BY A BOARD OF LAW ENFORCEMENT AGENCY HEADS WHO HAVE DEDICATED AT LEAST ONE OFFICER TO THE TASK FORCE.**
- **FUNDING IS PROVIDED TO SUPPORT DRUG ENFORCEMENT OPERATIONS THAT AIM TO DISRUPT AND DISMANTLE SIGNIFICANT DRUG TRAFFICKING ORGANIZATIONS THAT ARE RESPONSIBLE FOR SUPPLYING DRUGS THROUGHOUT THE UNITED STATES. HIDTAS WORK TO IMPROVE COLLABORATION BETWEEN LAW ENFORCEMENT AGENCIES AND PROVIDE TRAINING ON A WIDE VARIETY OF DRUG ENFORCEMENT TOPICS.**
- **FOURTEEN COUNTIES IN NC HAVE RECEIVED THIS DESIGNATION: IN THE RALEIGH AREA THEY ARE WAKE, DURHAM, WAYNE, WILSON AND JOHNSTON IN THE GREENSBORO AREA THEY ARE GUILFORD, ALAMANCE AND RANDOLPH, IN THE CHARLOTTE AREA THEY ARE MECKLENBURG, UNION AND GASTON AND IN THE ASHEVILLE AREA THEY ARE BUNCOMBE, HENDERSON AND MCDOWELL.**
- **IN ADDITION TO SUPPORTING THESE TASK FORCES THROUGHOUT THE COUNTRY, HIDTA ALSO PROVIDES FUNDING AND EXPERTISE ON OTHER SIGNIFICANT DRUG ISSUES FACING OUR**

NATION SUCH AS DRUG PREVENTION INITIATIVES, PHARMACEUTICAL DRUG ABUSE AND METHAMPHETAMINE PRODUCTION AND DISTRIBUTION.

- **CAUSES FOR AN INCREASE IN METH LAB SEIZURES: ONE IS SMURFING- WHERE THOSE INVOLVED IN METH PRODUCTION HAVE LEARNED TO BEAT THE LOGBOOK OR ELECTRONIC TRACKING SYSTEMS BY MAKING PURCHASES UNDER THE LEGAL LIMIT AT MULTIPLE LOCATIONS OR BY ORGANIZED GROUPS OF PEOPLE TRAVELLING THROUGHOUT TOWNS, CITIES AND STATES BUYING FROM MULTIPLE LOCATIONS. MANY TIMES THESE PURCHASERS HAVE FALSE IDENTIFICATIONS MAKING IT DIFFICULT TO TRACK DOWN THE RIGHT PERSON. PSE BOXES ARE THEN SOLD TO METH COOKS AT HIGHLY INFLATED PRICES.**
- **ANOTHER REASON IS THE ONE POT OR SHAKE AND BAKE METHOD WHICH ALLOWS FOR MAKING METH VERY QUICKLY IN SMALL USER AMOUNTS OFTEN IN A VEHICLE OR OUTSIDE. PURCHASES UNDER THE LEGAL LIMIT ARE ENOUGH TO MAKE METH USING THIS METHOD AND THE MANUFACTURING PROCESS IS EASY ENOUGH THAT THE DRUG CAN BE MADE BEFORE LAW ENFORCEMENT HAS TIME TO REACT TO A NOTIFICATION**
- **ANOTHER REASON IS THAT METH MADE WITH PSEUDOEPHEDRINE (PSE) IS OF HIGHER QUALITY THAN MUCH OF THE METH ENTERING THE US FROM MEXICO WHERE ACCESS TO PSE IS MORE DIFFICULT.**
- **LAB INCIDENTS IN THE US WERE AS FOLLOWS: IN 2008: 7,253; 2009: 10,034; 2010: 11, 396 AND IN 2011 AS OF SEPTEMBER 12TH THERE WERE 6,240. THE ONE SIGNIFICANT EVENT AFFECTING LAB REPORTING IN 2011 WAS THAT IN JANUARY/FEBRUARY OF THIS YEAR FEDERAL FUNDING FOR LAB CLEANUPS ENDED. MANY AGENCIES STOPPED REPORTING THEIR SEIZURES TO DEA AS WAS REQUIRED WHEN CLEANUP FUNDS WERE FUNDED THRU DEA. ALSO, AS UNFORTUNATE AS IT MIGHT SEEM BECAUSE MANY SMALL COUNTIES AND MUNICIPALITIES CAN NOT AFFORD THE CLEANUP COSTS AT \$2500 PER LAB THEY SIMPLY STOPPED LOOKING FOR THEM ACCORDING TO VARIOUS REPORTS.**
- **METH SEIZURES ON THE US/MEXICAN BORDER CONTINUE TO RISE: IN 2008: 1,293 KGS; 2009: 2,669 KGS; 2010: 3,443 KGS AND 2011 AS OF 9-12: 2,761KGS.**
- **77% OF MEX METH IS DI METH OR A LESS POTENT FORM THAN METH MADE FROM PSE; HOWEVER SOME TRAFFICKERS ARE LEARNING WAYS TO ENHANCE THE QUALITY OF THEIR METH EVEN THOUGH THEY ARE USING THE OLDER P2P METHOD.**
- **THE MAJORITY OF THE METH LABS FOUND IN THE US ARE CAPABLE OF PRODUCING 2 OUNCES OR LESS. ALTHOUGH A FEW SUPER LABS HAVE BEEN FOUND IN GEORGIA AND ONE IN NC THE MAJORITY ARE FOUND IN CALIFORNIA, THE PSE USED TO MAKE METH IN THE SUPER LABS, CAPABLE OF PRODUCING 10 LBS OR MORE IN A 24 CYCLE, ARE ALSO OBTAINED THRU ORGANIZED SMURFING OPERATIONS.**
- **METH LABS CONTINUE TO IMPOSE A SERIOUS SAFETY RISK IN THE FORM OF: CRIMINAL ACTIVITY, DRUGGED DRIVING, POTENTIAL FOR EXPLOSIONS, TOXIC WASTE DUMPING, OFFICER SAFETY, DRUG ENDANGERED CHILDREN, DECREASED PROPERTY VALUES, HUGE RESOURCE DRAINS ON LOCAL COMMUNITIES, THE CRIMINAL JUSTICE SYSTEM AND SOCIAL SERVICES, LOSS OF PRODUCTIVITY BY WORKING METH ADDICTS, THREATS TO FARMERS THRU ANHYDROUS AMMONIA THEFTS.**

Question: Representative Hollo asked how much a single use is, is 2 ounces a lot? How long does it last, how do we know there are only 300 meth labs in the state?

Answer: Mr. Emerson answered that 2 ounces is a decent cook.

Question: Representative Guice asked how is it sold?

Answer: Mr. Emerson answered that they cook together, and share it. It is usually sold ½ ounce at the time.

Question: Representative Horn asked what is a hit?

Answer: Mr. Emerson answered it is sold in powder form, which you can snort it, inject it, or eat it.

- **THE ESTIMATED COST FOR EVERY METH LAB FROM BEGINNING TO END IS \$350,000. THE 2009 RAND CORP STUDY USING 2005 DATA PLACES THE TOTAL COST OF METH ABUSE IN THE NATION AT \$23 BILLION ANNUALLY.**
- **SIXTEEN STATES ATTEMPTED TO PASS LEGISLATION LAST YEAR TO MAKE PSE A SCHEDULE III DRUG. ALL FAILED. ONLY OREGON AND MISS HAVE PASSED A LAW RETURNING PSE TO A CONTROLLED SUBSTANCE AS IT WAS PRIOR TO 1976. BOTH STATES HAVE SEEN DRAMATIC DECREASES IN METH LAB INCIDENTS AND RELATED CRIMES. OREGON HAS HAD SEVEN LABS THIS YEAR DOWN FROM A HIGH OF 189. MISS. HAD 239 AS OF 9-12 WAY DOWN FROM ITS HIGH MARK OF 698 IN 2010. BOTH STATES HAVE BEEN ABLE TO DEDICATE LIMITED RESOURCES TO OTHER LAW ENFORCEMENT ISSUES AND BOTH REPORT LITTLE IF ANY BACKLASH FROM THE SCHEDULING CHANGE.**

Mr. Emerson thanked the committee for their time and for looking into this very serious matter.

Questions:

Representative McLawhorn asked if it would be Mr. Emerson's recommendation to put pseudoephedrine back to schedule III, and what could we do as a legislative body to help him with what he does. Mr. Emerson stated that they do not take a position on state legislation. For best results possible, it would be to put pseudoephedrine back to a schedule III drug.

Representative Stevens advised that there were two major meth busts in her area. 10 days ago police found 57 one pots. Apparently the makers take Arizona tea bottles, because they are thicker and better able to use them. Then a few days after that while answering an assault charge, the police found 224 grams of meth in a maker's pocket. Twenty Eight (28) grams is trafficking level. She stated that shows how transportable, easily hidden, and how easy it is to carry the stuff around. Mr. Emerson commented that the one pot has made a lot of difference. It is easier to dispose of, hide, etc. Representative Stevens said because the criminal was afraid of getting caught he wouldn't throw any of it away. That was why there were so many pots. It's clearly something that's very portable. Her sheriff said it is harder to buy meth from other dealers. They obtain the Sudafed, therefore the maker does not have to do as much. She also said the sheriff was not as worried about meth labs in her area because it is being made out west from Iowa. A lot of what is being transported in from the west is a higher grade. Mr. Emerson commented that there has always been a movement of illegal drugs from west to east. We are the recipients of illegal drugs from out west.

Representative Faircloth stated that given the committee's charge, this reaches beyond just the language of HB 12 and beyond manufacturing. Concern is with it coming across state lines. It is his opinion, as an old narcotics cop, that we have missed the boat of not making

greater use of conspiracy laws in N.C. He would like to have explanation from DA's and others involved in the court system of how we can use conspiracy laws in addressing the use of meth, because there are so many people involved and we have some of the best conspiracy laws in the country. Representative Faircloth would like for us to begin to take a look at that for future legislation.

Representative Horn asked if there were any questions on the effects of meth. He stated it is truly a serious problem. It is a one and done. He wanted to make sure there were no more questions. Representative Horn thanked John Emerson.

Representative Tolson agreed with what Representative Faircloth said. He stated that we need everyone around the table that can help us determine what we need to do to go after it as aggressively as we can. We need the people who are dealing with it on a daily basis to tell us what we can do to help them do their job better. He thanked Mr. Emerson for his comments.

Representative Horn advised the committee that for scheduling knowledge, the plan is to meet again in December, February, and April. That will give the committee the opportunity to see where we are with the implementation of the tracking system going into the new year; February; how we've gotten off the ground; and April how we're doing and what other things we should be doing. For future meetings we will ask for further testimony/ input from not only law enforcement, but from DA's about what we can or should be doing. Representative Horn is open to every suggestion.

Representative Horn introduced Deputy Assistant Director of Special Operations-Van Shaw with the SBI.

PRESENTATION (attached)

**Methamphetamine Abuse in North Carolina
Special Agent Van Shaw, Deputy Assistant Director
Special Operations Division, State Bureau of Investigation**

Summary: Van Shaw, Deputy Assistant Director of Special Operations Division of the SBI, has been involved with methamphetamine problem since 2001, supervised expansion of lab response program, managed and has oversight of that same program today. He wanted the committee to know his background. He provided statistical information that hopefully will help the committee better understand meth in N.C. (Exhibit 1-see attached) The material that was provided showed a number of statistical information to better understand as it relates to the state of NC. The map breaks down the number of meth lab occurrences that have occurred in each county in NC. The statistics are run every two weeks. It had been 8 days since the map was produced. He stated that we are now at 271 meth lab responses which is about 1 meth lab a day or more. We are projecting over 300 by the end of the year. It may be coming upon our highest year since the passage of the methamphetamine prevention act. The problem in our state is continuing to grow-mostly related to one pot

manufacturing method-the portability of it, the ease of it, the acceleration of the manufacturing process-all that comes into play. He pointed out using the map the number of counties affected by this problem. As of October 10th, 61 counties had been impacted by the meth problem. Prior to 2005, it was primarily western North Carolina, but that is not the case anymore. It is now from one end of our state to another. Mr. Shaw also provided a chart that shows a 10 year tract to where we are trending. Statistics have been kept in NC for a number of years. They are now trying to keep tract of the last 10 years to show where we are trending. This shows how legislation has helped us-how people in the criminal element are going to find ways to get around everything we do. That is their full time job to come up with different ways to bypass the system and sometimes they are very effective at that.

Included was a children affected or injured chart. (attachment ----) Injured children as well are consistent with the number of labs in state. The number of children are being taken out of homes is trending up as well. Injuries are declining which is encouraging maybe due to awareness, but children are still in there. Mr. Shaw stated that they have had 8 public safety personnel injured. They include EMS, fire, or police that stumbled into them or were responding to them. They have taken 66 weapons out of meth labs this year-there is a violence element to this problem. Another statistic they have been keeping up with is the elder adults that are also found in meth labs-particularly elder adults that don't necessarily have capability to relocate. They may be living with their grandchildren that are making meth. They may not be financially or physically able to leave their home. The SBI has already found 10 of those this year. These are other issues that are involved. A ton of aspects come into play. It is not just about the end user, or dollar amount of the cleanup. These are all important, but there are other issues as well. He stated he can provide more information on that.

Another issue Mr Shaw touched on is what Mr. Emerson referenced. In February, 2011, NC did lose federal funding for cleanup of meth labs. What they are referring to by cleanup is the actual removal of items associated with the manufacturing process. These are items used to prove their case in court; items that are hazardous in nature, and must be disposed of. He was talking about removing the evidence that is used to prove the case in court. He was not referring to the cost of tearing out carpet, or taking out dry wall. The clean up term is very broad. He was talking about law enforcement cost, etc. The SBI picked up the cost from February until May. In that short period of time they spent over a quarter of a million cleaning up meth labs in N.C. and their budget couldn't sustain it. They did advise local and state agencies that they were going to have to start paying for it out of their own respective budgets. Mr. Shaw thinks the reason N.C. has the numbers that we have is because our law enforcement are continuing to find meth labs at a great sacrifice to them. If they are paying for cleanups it means they are going without something else. The SBI responds to every lab in N.C. They sample that lab, and report every lab to the

El Paso Intelligence Center, as Mr. Emerson stated earlier. They want to make sure our statistics are accurate and keeping a realistic picture. Reporting is still there, response is still there, but it is coming at a great cost. It is \$2500 per lab per Mr. Emerson. Currently, the Attorney General and the SBI in conjunction with the Governor's Crime Commission, are launching a program, January 1, whereby we can participate in a container cleanup program with the Drug Enforcement Administration. They hope to be up and running by January. That is the only cleanup program that the DEA is going to fund for a period of time. Mr. Shaw stated they are moving forward with a grant from the Governor to establish this container program. It will alleviate that cost for local law enforcement agencies. It will be so much more efficient if they utilize the container program which cost \$500 as opposed to \$2500. The difference is having the work done on site versus having a contractor doing it. That is one way they are being proactive-recognizing that they cannot sustain cost of a cleanup program itself. This program will have a huge impact.

Mr. Shaw discussed where they are stateside with the NPLEX tracking system. They are working with NADDI and Appiss related to the NPLEX system. Notifications that will go out to pharmacies and law enforcement agencies have been reviewed and approved. They were waiting to launch those. Their group that works with the criminal information services is compiling the other data with other law enforcement agencies now. He felt that notifications would be launched soon. The Memorandum of Understanding that has to be executed with NADDI was currently being legally reviewed by attorneys at DOJ, and pending approval of that MOU. He felt like they were on tract. He advised that that he would be happy to answer any questions related to the statistical information.

Questions:

Representative Mobley asked if there was an explanation of the counties where the numbers are higher. Mr. Shaw stated that he wished he could give her an explanation. They see numbers fluctuate in counties based on a number of different causes. (1). There may have a concentrated number of law enforcement efforts in that area. They may launch different initiatives; be more aggressive. Other areas are more rural. There are more labs in rural counties, probably because there is less detection in those areas. You get into some socioeconomic issues such as high unemployment, lack of jobs, which results in addiction rates to be higher. Manufacturing process feeds addition. That is what is unique about meth- you can feed your own addiction. You can't manufacture cocaine in N.C. but you can manufacture meth. Realistically, someone can feed their addition by going out and manufacturing it themselves. You do not have to find a drug dealer. You can go out and find what is needed. All those factors come into play. He stated that he could not point to one particular area.

Representative Guice stated that understanding all factors that Mr. Shaw had just explained, it's still very difficult to understand the difference in some of the

counties especially the numbers in Burke County as it relates to this issue. Having worked in law enforcement for his entire career, in addition to that understanding the rural nature of a lot of these counties-McDowell for example and where it was a few years ago compared to where it is today- its neighboring county Burke- ... His question was have they looked to see- understanding a criminal doesn't care about county lines or state lines, how would we match up in these bordering counties that border South Carolina, Tennessee, and Virginia. Looking at those bordering counties, do they see any significant change and could that change relate to possibly the laws in these states as it relates to these issues? Representative Guice stated that when he looks at the map I see N.C., but he would really like to see those other counties and states that border-criminal activity doesn't just stay within a county or a state-it travels. Mr. Shaw answered yes. He could pull that together for Representative Guice. The SBI works very closely with the Tennessee Bureau of Investigation, South Carolina Law Enforcement Division, as well as the Virginia State Police. They have a quarterly meeting where they get together with a number of states. They include Kentucky, Indiana and try to pull those individuals in. Representative Guice is exactly right. None of the criminal organizations or individuals represented here care one thing about the county they're in. They see every day people leave, for example, Ashe County, drive into Tennessee-Virginia, and buy pseudoephedrine and drive back into N.C. That's been an significant issue. The NPLEX system will help us in that regard. We will be able to look at individuals and see if they're traveling into other states. There is a lot of cross boarder changes that go on. People that live in North Carolina go to South Carolina and buy their pseudoephedrine and they come back and cook in North Carolina and vice versa. We absolutely have that. We do see people push-if Warren County has been very aggressive then you will see the numbers in adjacent counties pop up. Mr. Shaw stated that he can tell the committee that when it comes to Burke County, there has been a significant law enforcement push. Not only with SBI agents, but with Burke County Sheriff's Department. There are a number of individuals that are living and working there that are very aggressive in lab investigations.

Susan Sitze stated that she knew Mr. Shaw was talking about the number of labs they had found. She asked if he had an educated guess on what that really means. Does that mean they are finding 25% labs, 50% labs? Secondly, would he give a brief explanation of the role of the SBI drug test in the labs and what the SBI actually responds to and how that works. Mr. Shaw stated that he would have to go with what is nationally put out there as far as the meth labs. The number that is thrown around most commonly is 10%, meaning 10% of the labs that we actually catch. He could not give background on that research or how they arrive at that. He has attended several National conferences and that seems to be the consistent number that gets thrown around.

He gave an overview of the SBI's role. They initiated in conjunction with DEA in 1988 the meth lab response program. DEA started their program and the SBI

quickly saw meth labs in our state, along with other drug labs, but in small numbers. Mr Shaw said those were the good days when we only had 5. The program has been in existence since then. What occurs today when a local law enforcement agency finds a meth lab regardless of whether they go to a domestic or investigative in nature, they pick up the phone and they call our meth lab response group. They send a sight safety agent, who is trained on safety issues related with meth labs, the equipment, the monitoring equipment, a response vehicle, the SCBAs, and the personal protective equipment. They also send a drug chemist from their prime laboratory. That chemist is going to come out and firsthand document what is there for the manufacturing process. He or she will take small samples and take them back to the crime lab. Typically is a very small box with small samples so they are not taking 5 gallon buckets of hazardous waste back to the lab. They will do an analysis and workup for the DA's office to show the manufacturing process, what was being utilized, how much meth was present, and what the theoretical yield based on the chemicals that were present could have been. In other words, how much potentially could this lab have manufactured. This is used in federal court rather than state court. They process our lab so that what they do at the lab can be used both in state and federal prosecution. There are some variations in the prosecution so they make sure of that.

The SBI site safety agents record a lot of different information, they submit statistical reports, they do exposure reports for the officers that are there and trained to work in meth labs. They report to the health department that the lab has been discovered. They send a certified letter to the property owner that had the meth lab, so that they are notified, returned receipt, they talk to the health department so they know what chemicals were present. They relay cost associated to that response to the DA in case they attempt to get restitution. They provide the DA's office with that.

It's an all encompassing program. Mr. Shaw stated that he was biased, but he likes to think it's one of the best programs in the US. They keep up with their statistics and their safety ratings-- all those types of things are very important to them. He thinks it will provide a service to our state and local partners. If not, their program operates about 150 SCBAs- they have more air pacts than some large fire departments do, air monitoring equipment and everything else. That cost has rested with them through help with grants so each agency doesn't have to recreate that. They respond to that and do so at no extra costs to local agencies. Mr. Shaw stated that may be more than the attendees wanted to know, but it's a pretty big operation to only be operated with only 6 full time agents.

Representative Horn asked Mr. Shaw to clarify the 150 SCBA's.

Mr. Shaw stated they are Self-Contained Breathing Apparatus. Agents have to be protected when they go on the scene. It's the air packs that you see on firefighters.

Representative Stevens stated that we got behind on this problem early on in terms of crack down on the meth. Can we get a handle on cleanups? She is concerned that counties are not doing cleanups. Is there someone that requires the cleanup? Having chaired the judiciary committee, this stuff permeates wall and is there fairly long term. Children in the environment are ingesting it- they're not sure of the long term effects. How do we ensure that this cleanup is being made once a lab is found? Do we have a provision for that?

Mr. Shaw answered that the responsibility, based on previous legislation, falls on the local health department and the Department of Health and Human Services. They will notify them by written letter that a meth lab has been found in a particular location. They in turn have oversight of the remediation of that sight. There is information that they have they provide to the property owner on how to remediate the sight. The property owner has to report back to them on the project of the remediation before the residence can be re-inhabited. N.C. laws are not as stringent as some other laws across the county. Some other laws provide much more stringent enforcement with those type of things where there is actually boarding, a much more aggressive approach to those type of residences. Mr. Shaw feels like it would be good to have someone from Health and Human Services come in and talk about their health department programs and packages. The SBI works with them on a daily basis in providing the information that in turn they need to provide to the property owner for cleanup.

Representative Stevens stated that she thought that this is also something clearly this committee would want to look at. She also brought up that we along with Health and Human Services would want to look at the children. Representative Stevens thinks it should be an automatic ground when you find a child in an ongoing meth lab that that child should be removed and put into social services until there is a clear showing that there is no further damage. She feels that is something that the committee needs to address. When she hears of the things that are happening to the children either directly from the explosiveness from making the drug, to inhaling the substances that are around vs. just being neglected because of what's going on in that household, she feels there needs to be immediate grounds for removing the children. She states that she is not sure whether that is already in our statutes or what happens with that, but we should clearly protect the children, if we can't stop the drug users. We should get the children out of there and not put them back into that situation. Hopefully that is something the committee can look at.

Mr. Shaw stated that from his involvement, they have instituted protocols across the state for what they call "drug endangered children". When they find a child in a meth lab, they notify the Department of Social Services. The children are

taken and a medical assessment is done to them. Those protocols are in place through the Department of Social Services across the state. The SBI works with them on a daily basis as well.

Representative Stevens stated that her concern is not just the immediate protocol to see what's going on with them, but a longer term protocol since they are obviously in a situation where there are drug addicts and drug sales and people are not caring for them. That should not be any kind of quick return. She feels that we need to make sure what social services position is beyond that immediate assessment. She does understand that law enforcement cannot do anything about that, but as a legislative body, she feels we can.

Representative Guice followed up on something that was said earlier. He asked who makes the final decision as it relates to where a person is going to be charged. For example-who makes the determination that it will go thru the state court system or the federal court system? Is that the charge of the agency or the agency who is investigating? Looking at federal law and state law-where do we get the best punch? He stated sometimes we can look at the local judicial system and see we're not getting much of a punch there with The DA and the judges, so what if they decide to move it to the federal level? Who is making that final decision?

Mr. Shaw answered that there are typically a number of ways that it happens. Sometimes there may be an investigative initiative under way or a task force. The SBI refers to them as "OCDEFT" - Organized Crime Drug Enforcement Task Force. If that exists, that predetermines that it's going to go federal. Most of the time if it's a single person, single lab, and the SBI walks into it in a domestic case that will go to the DA's office for prosecution and the local system. Mr. Shaw agreed with Representative Guice in that some areas are more aggressive at the prosecution than others. Typically if they see from a Federal standpoint that they are using more of the conspiracy laws that Representative Faircloth made reference to in federal court, than that lab is part of a bigger conspiracy. The DA will decline prosecution knowing the SBI is going to prosecute it in federal court. Mr. Shaw advised that they are arresting initially on a state charge and putting them into the system. Then a determination is made if whether it's a federal or state prosecution on how it fits into the big picture.

Representative Guice suggested that the committee move from talking about that to if we're now walking into a situation where there is a domestic situation and you find a lab. That is one scenario that had been discussed. It is entirely a different situation where you are talking about making something in a bottle- and shaking it and that being the product now. He asked Mr. Shaw how are we going to address those situations as it relates to children, as it relates to just the general public, and where that bottle might be thrown out on the side of the

road. Now there is a contamination there. It seems we have moved away from finding a residence that is contaminated with a lab.

Mr. Shaw agreed with Representative Guice. He stated that the one pot method is much more mobile. The SBI is not seeing the drug labs with all the glassware and tubing set up like they did in the early 2000's. What they are beginning to see is what Representative Steven's referenced earlier. The multiple one pots where they have figured out that they can make 20 grams in a one pot, and what if they get 10 of those going at one time. They just extrapolated it out. It is a different looking lab, but it brings about problems where the SBI has seen the one pots exploding in vehicles. Vehicle stops are more prevalent in finding those labs. It's an awareness issue of revisiting with local law enforcement and making them aware that they are even more mobile than they were in years past.

Representative Tolson asked Mr. Shaw how they go about identifying a potential meth lab or meth maker to investigate. He asked if the SBI receives phone tips. How do they go about knowing you need to look for a lab or the shake method? Mr. Shaw answered that the biggest tool they have had is the legislation that was passed for the log book transaction of pseudoephedrine sales. When they see someone consistently violating that and buying significant amounts of pseudoephedrine sales, they know it is for the manufacturing of meth. There is no resale market for it or anything else. The log book transaction has been a huge indicator as the NPLEX system will also be. It will launch this further because what did take the SBI 4 or 5 days of going thru log books, they can now sit down at the computer and do it in 5 minutes. Mr. Shaw feels that they are going to find more labs. He stated that other ways to find meth labs come through the traditional methods; law enforcement, informants, good citizen tips, and observations by officers when they are on the scene on an unrelated call. They begin to see the precursors sitting around. Some of the items associated with meth making and therefore see potential meth labs. They start to ask questions and investigate it from there.

Representative Stevens asked if there are a lot of fires and explosions from even the one bottle method. Mr. Shaw stated that they are seeing more fires and explosions out of one pots and the reason is the lithium metal. You have a very violent reaction to the point where you are having to relieve the pressure of the container. If you do not burp the container, it is going to explode. The lithium ignites the organic solvents which are mixing everything up, the Coleman fuel, and the denatured alcohol. So when the lithium ignites the Coleman fuel it ignites. He stated that they see people quite often go to the burn center.

Mr. Pell asked if using the logs is sufficient enough to obtain a search warrant for probable cause. Mr. Shaw answered that they have not been using that as probable cause for a search warrant. They actually advise against it simply because there needs to be more investigative work done. An issue that could arise is that it could have been written down wrong. They know some of the

information is inconsistent, so it requires more investigative work. They have seen logs with Santa Claus, 123 North Pole Street, Albemarle, NC. They know some of the information can be inconsistent and inaccurate in the handwritten logs so it requires more investigative work.

Representative Tolson asked if there is accurate training going on to make sure this stuff is logged right with the proper identification. Mr. Shaw stated that it varies from location to location. Obviously some stores do a tremendous job and others do not. There are issues of turnover, issues of complacency. If there is not a problem in that area then it is a matter of routine. Obviously moving forward to the electronic side of things where you are displaying their license will result in a much more accurate collection of data than handwritten.

Representative Tolson asked when the NPLeX system will be in effect. Mr. Shaw stated January 1st, 2012.

Representative Horn shared a quick story. He said that several months ago, a tow truck driver was called on a scene of an accident. He was told to bring 4 trucks. It turns out that a car that was stopped at a stop light, contained a one potter that blew up. That resulted in all the other cars around being affected. He asked how would you like to be on a Sunday drive with the windows down and the kids in the backseat and the car next to you blows up? It's a real serious issue.

Representative Stevens agreed that it is serious issue. Her parents several years ago were down in Swansboro and there was an arrest down there of a man and his wife and a baby riding around in a car with her making meth right between her legs. Police pulled up, they didn't have the hazmat suits and the SCB machines. It is a horribly deadly situation. Horrible for the child, for the parents, and the police officer and it was because they were driving.

Representative Horn stated that meth labs have been found in N.C. child care facilities.

Representative Faircloth stated that he had heard a news clip about urine being collected, recycled and used. He asked Mr. Shaw if he had heard anything about that. Mr. Shaw answered that had been around for a number of years. He stated that when you ingest methamphetamine it is not totally metabolized within your system, so some of it is excreted out through your urine. He has been to places in North Carolina where this is happening, people are collecting urine in 2 liter bottles. It is not common practice. The users boil off the evaporated urine and collect the residual methamphetamine that is left behind. It does happen, but because of the ease of manufacturing they do not see it happen often. It is a desperate last ditch effort for a person asking "how am I going to get the next methamphetamine", but it does illustrate the lengths they will go to get the drug.

Representative Faircloth asked another question. He stated with almost any criminal enterprise it requires more than one person. From the bicycle theft ring all the way up to the mafia. You can chart on the board what the whole organization looks like. Is there such a thing as a methamphetamine organization or is it so widely scattered and just so disorganized that you really can't say what it looks like.

Mr. Shaw answered no. There are absolutely, and Mr. Emerson alluded to it in the smurfing or going out and purchasing pseudoephedrine from multiple locations as groups with fake I.D.'s. About 18 months ago, the SBI participated with the Davidson County Sheriff's Department Investigation on a meth lab that had multiple people involved in it. They took that case and went and looped their pseudoephedrine arms around that county and adjacent counties. By the end of the investigation they were able to identify the people that were buying pseudoephedrine and bringing it back to the meth lab. They did this through statements, and through records. They were able to indict 35 people. Mr. Shaw summarized that the organization that was feeding that meth lab involved 35 different people. He answered yes. There is a conspiracy where the obtaining of pseudoephedrine is a driving factor in order to bring it back to a base line.

Representative Horn asked if there were any further questions. He stated the picture is clear. He introduced Lisa Kahl-Hillerich of Apriss, Inc, and expressed his appreciation for her being at the committee meeting.

PRESENTATION (power point presentation attached)

National Precursor Log Exchange (NPLEX)

Lisa Kahl-Hillerich, Information Services Group Representative- Apriss, Inc.

Summary: Representative Horn introduced Lisa Kahl-Hillerich, Information Services Group Representative for Apriss, Inc. Apriss is a privately managed 16 year old company headquartered in Louisville, KY. They develop public safety software that is used to work with thousands of federal, state and local criminal justice and pharmacy customers throughout 47 states. They developed The National Precursor Log Exchange, (NPLEX). A copy of Ms. Kahl-Hillerich's PowerPoint presentation (Attachment ----) is attached and made part of these minutes.

NPLEX will track pseudoephedrine sales nationwide with seamless interstate communication, and inter-retailer communication. All data is in one place and will block illegal pseudoephedrine purchases. NPLEX is no cost to states, law enforcement, or retailers. Over 30,000, (almost 50%) of retailers in the United States are using the NPLEX system. Seven new states have joined the NPLEX network in 2011 as mandated by new legislation. It has blocked over 1 million grams of precursor from being sold illegally YTD in 2011. NPLEX is real-time for retailers and law enforcement, and is web-based so no additional software or

hardware is needed. The pharmacy must have internet access. There are two ways to connect to the NPLeX system. Using a Web portal, and for larger chains that have integrated NPLeX, using their scanners. So when the pseudoephedrine is scanned, it automatically updates NPLeX. It protects consumer privacy while blocking criminal behavior and letting law enforcement clearly see suspects' activities. In the past two years, 16 states have passed legislation to use NPLeX to track pseudoephedrine purchase. The goal for Apriss is to have all 2600 North Carolina pharmacies participating by December 1, 2011, and enforce participation by January 1, 2012. Apriss will be traveling the state starting in November training retail locations and law enforcement agencies. The training will be completed by January 1, 2012.

Representative Horn asked Lisa what the North Carolina Legislature needs to do to make this happen and ensure compliance. Her answer was awareness across the state for law enforcement to use it. They have implemented nine states so far, and it was fairly seam-less. The key is to create awareness and study results of the data. Apriss will be responsible for providing information to this committee on the state's blocking numbers and attempts to purchase pseudoephedrine.

Representative Guice asked a question regarding staffing. Will this program tax the police resources, and do you have those resources with the recent budget cuts? Van Shaw said he could only speak about the resources that the SBI had. They have six agents in North Carolina dedicated to responding and dismantling meth labs. The SBI is also working with local agencies too. They are trying to gear up for additional training.

Representative Guice stated that if we do not deal with the underlying addiction issue, the offenders will be back out there continuing to use meth.

Representative Tolson stated that the committee needs to look at all issues including cost to get the addicts off of meth.

Representative Horn stated that training dates on retail side and law enforcement side need to be set. Also, there is an option for web based training in case an officer cannot attend a training class in person. All officers will have access to training.

Representative Horn closed the meeting with restating the committee goal; "Rid North Carolina of methamphetamine use". He announced that the committee will meet again in December. The meeting was adjourned.

Respectively submitted,

Representative D. Craig Horn, Co-Chair Presiding Laurie Payne, Committee Assistant

Representative John Faircloth, Co-Chair